

SCOTT N. SCHOOLS (SCBN 9990)
United States Attorney

FILED

2007 AUG 27 A 11:47

RICHARD W. WIEKING
CLERK
U.S. DISTRICT COURT
NO. DIST. OF CA., S.J.

E-FILING

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UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

SAN JOSE DIVISION

CR 07 00558 JW

RS

UNITED STATES OF AMERICA,

Criminal No.:

Plaintiff,

VIOLATION: 18 U.S.C. § 1343 –
Wire Fraud

v.

RICHARD L. WHEAT,

SAN JOSE VENUE

Defendant.

INFORMATION

The United States Attorney charges:

Introduction

1. At all times relevant to this Information:

a. Southern Monterey County Memorial Hospital was a California nonprofit corporation, doing business as George L. Mee Memorial Hospital ("MEE"). MEE operated a community hospital in King City, Monterey County, located within the Northern District of California.

b. Defendant Richard L. Wheat was MEE's Chief Financial Officer ("CFO") from approximately July 26, 1999 until he was placed on administrative leave without pay on January 12, 2004. His employment was terminated on January 27, 2004.

INFORMATION

c. MEE maintained a bank account (partial account number 2012XXX) with Community Bank, 532 Broadway, King City, California.

d. Wheat maintained a personal CITIBANK credit card (partial account number 5476-41-2001-3XXX) ("the CITI credit card"). The mailing address for this account was Citibank, P.O. Box 8013, So. Hackensack, New Jersey 07606-8013. "Auto Pay" payments to the CITI credit card were processed through Citibank's payment center in Sioux Falls, South Dakota.

The Scheme and Artifice to Defraud

2. Between no later than November 28, 2002, and continuing until he was placed on administrative leave on January 12, 2004, Wheat fraudulently caused MEE to pay approximately \$ 96,000 in personal expenses he charged to the CITI credit card. Wheat accomplished this fraud by using his position as Chief Financial Officer to set up an automatic electronic payment ("Auto Pay") from MEE's Community Bank account to the CITI credit card. He personally approved the amount to be paid to the CITI credit card each month.

3. During this period, Wheat caused MEE to pay for such personal expenses as: personal travel, hotels and entertainment, restaurants and fast food, groceries, office supplies for home use, auto parts, gasoline, stamps, hardware, satellite television, contact lenses and lens solution, sporting equipment, clothing, personal Internet service, even a payment to his church.

COUNT ONE: (18 U.S.C. §§ 1343 – Wire Fraud)

4. The factual allegations contained in paragraphs 1 through 3 are realleged and incorporated as if fully set forth here:

5. On and before September 16, 2003, in the Northern District of California, and elsewhere, the defendant,

RICHARD L. WHEAT,

did, knowingly and with the intent to defraud, devise and intend to devise a scheme and artifice to defraud MEE as to material matters, and to obtain money and property by

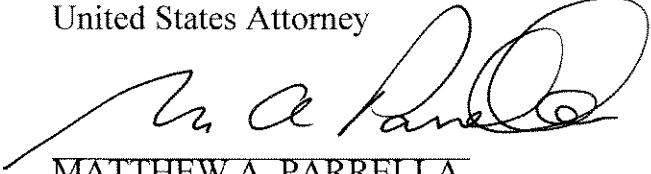
means of false and fraudulent pretenses, representations, and promises and, for the purpose of executing said scheme and artifice to defraud, did knowingly cause certain writings, signs, and signals to be transmitted in interstate commerce, namely, a wire transfer of funds, as set forth more particularly below:

<u>Count</u>	<u>Date</u>	<u>Wired From</u>	<u>Wired To</u>	<u>Amount</u>	<u>Fraudulent Personal Expenses Included in Payment</u>
1	9/16/03	Community Bank, King City, CA	Citibank, Sioux Falls, SD	\$12,465.69	Kragen Auto parts, Marriott Hotels, Direct TV, Costco, Expedia Travel, Orchard Supply, KFC, Stamps.com, Men's Wearhouse, Radio Shack, Safeway, South County Lumber, Sturbridge Yankee Workshop, and Redshift (Internet)

All in violation of Title 18, United States Code, Section 1343.

DATED: 8/23/07

SCOTT N. SCHOOLS
United States Attorney


MATTHEW A. PARRELLA
Chief, San Jose Branch Office

(Approved as to form: )
AUSA Callaway

DEFENDANT INFORMATION RELATIVE TO A CRIMINAL ACTION - IN U.S. DISTRICT COURT

BY: ☐ COMPLAINT ☒ INFORMATION ☐ INDICTMENT
☐ SUPERSEDING

OFFENSE CHARGED

COUNT ONE: 18 U.S.C. § 1343 - Wire Fraud

☐ Petty
☐ Minor
☐ Misdemeanor
☒ Felony

PENALTY:

20 years Imprisonment
 5 year supervised release
 \$1,000,000 Fine
 \$100 special assessment

PROCEEDING

Name of Complainant Agency, or Person (& Title, if any)

FBI Special Agent Robert Kay

☐ person is awaiting trial in another Federal or State Court, give name of court

☐ this person/proceeding is transferred from another district per (circle one) FRCrP 20, 21 or 40. Show District

☐ this is a reprosecution of charges previously dismissed which were dismissed on motion of:

☐ U.S. Att'y ☐ Defense

☐ this prosecution relates to a pending case involving this same defendant

☐ prior proceedings or appearance(s) before U.S. Magistrate regarding this defendant were recorded under

SHOW
DOCKET NO.MAGISTRATE
CASE NO.

Name and Office of Person
 Furnishing Information on
 THIS FORM

SCOTT N. SCHOOLS

☒ U.S. Att'y ☐ Other U.S. Agency

Name of Asst. U.S. Att'y
 (if assigned)

DAVID R. CALLAWAY

Name of District Court, and/or Judge/Magistrate Location
 NORTHERN DISTRICT OF CALIFORNIA

DEFENDANT - U.S.

RICHARD L. WHEAT

DISTRICT COURT NUMBER

DEFENDANT

IS NOT IN CUSTODY

- 1) ☒ Has not been arrested, pending outcome this proceeding. If not detained give date any prior summons was served on above charges
- 2) ☐ Is a Fugitive
- 3) ☐ Is on Bail or Release from (show District)

IS IN CUSTODY

- 4) ☐ On this charge
- 5) ☐ On another conviction
- 6) ☐ Awaiting trial on other charges
- If answer to (6) is "Yes", show name of institution

Has detainer been filed? ☐ Yes ☐ No

If "Yes" give date filed

DATE OF
ARREST

Month/Day/Year

Or... if Arresting Agency & Warrant were not

Month/Day/Year

DATE TRANSFERRED
TO U.S. CUSTODY

☐ This report amends AO 257 previously submitted

PROCESS:

☒ SUMMONS ☐ NO PROCESS*

☐ WARRANT Bail Amount: _____

If Summons, complete following:

☐ Arraignment ☒ Initial Appearance

Defendant Address:

C/O Paul Meltzer, Esq.
 340 Soquel Ave., Suite 212
 Santa Cruz, CA 95062

Comments:

*Where defendant previously apprehended on complaint, no new summons or warrant needed, since Magistrate has scheduled arraignment

Date/Time: September 20, 2007 9:30am

Before Judge: PATRICIA V. TRUMBULL

ADDITIONAL INFORMATION OR COMMENTS